



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements Audit Report

## City of Woodland

For the period January 1, 2022 through December 31, 2022

*Published January 25, 2024*

Report No. 1034070



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**Office of the Washington State Auditor  
Pat McCarthy**

January 25, 2024

Mayor and City Council  
City of Woodland  
Woodland, Washington

**Report on Financial Statements**

Please find attached our report on the City of Woodland's financial statements.

We are issuing this report in order to provide information on the City's financial activities and condition.

Sincerely,

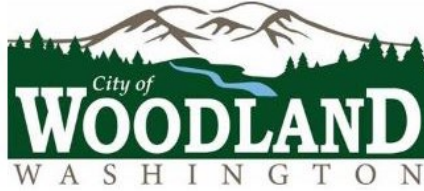
Pat McCarthy, State Auditor  
Olympia, WA

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### City of Woodland January 1, 2022 through December 31, 2022

This schedule presents the status of findings reported in prior audit periods.

|   |                                    |                                      |
|---|------------------------------------|--------------------------------------|
| <b>Audit Period:</b><br>2020-2021   | <b>Report Ref. No.:</b><br>1031855 | <b>Finding Ref. No.:</b><br>2021-001 |
| <b>Finding Caption:</b> The City did not have adequate internal controls for ensuring accurate reporting of its financial statements.   |                                    |                                      |
| <b>Background:</b> Management is responsible for designing, implementing, and maintaining internal controls that ensure the City's financial statements are fairly presented and provide reasonable assurance of their reliability. Control deficiencies were identified that contributed to the City not sufficiently preparing their statements in accordance with BARS manual guidelines, not accurately implementing new BARS Manual guidance, and not identifying significant errors in its revenue and expense reporting. |                                    |                                      |
| <b>Status of Corrective Action: (check one)</b><br><input checked="" type="checkbox"/> Fully Corrected <input type="checkbox"/> Partially Corrected <input type="checkbox"/> Not Corrected <input type="checkbox"/> Finding is considered no longer valid   |                                    |                                      |
| <b>Corrective Action Taken:</b><br><i>This was the first year for a different individual to prepare the annual report. The previous report preparer resigned from the City after 30 plus years.</i><br><i>There were some misinterpretations regarding the BARS guidance. With the auditors assistance, this has been rectified.</i><br><i>Annual training will continue to be a requirement for the preparation of the annual report.</i>  |                                    |                                      |

## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **City of Woodland January 1, 2022 through December 31, 2022**

Mayor and City Council  
City of Woodland  
Woodland, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Woodland, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated January 19, 2024.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this

report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

January 19, 2024

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **City of Woodland January 1, 2022 through December 31, 2022**

Mayor and City Council  
City of Woodland  
Woodland, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of Woodland, as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the financial section of our report.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) Manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Woodland, and its changes in cash and investments, for the year ended December 31, 2022, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Woodland, as of December 31, 2022, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.



## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and

*Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The Schedule of Liabilities is presented for purposes of additional analysis, as required by the prescribed BARS Manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United

States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

January 19, 2024

## **FINANCIAL SECTION**

### **City of Woodland January 1, 2022 through December 31, 2022**

#### **FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2022  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2022  
Notes to Financial Statements – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2022

**City of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|   |                                | <b>Total for All<br/>Funds<br/>(Memo Only)</b> | <b>001 Current<br/>Expense</b> | <b>105 Document<br/>Recording Fee</b> | <b>107 Hotel/Motel<br/>Tax</b> |
|---|--------------------------------|--|--------------------------------|---------------------------------------|--------------------------------|
| <b>Beginning Cash and Investments</b>               |                                |  |                                |                                       |                                |
| 308   | Beginning Cash and Investments | 12,923,741                                     | 5,814,253                      | 4,798                                 | 53,040                         |
| 388 / 588   | Net Adjustments                | -  | -                              | -                                     | -                              |
| <b>Revenues</b>                                     |                                |  |                                |                                       |                                |
| 310   | Taxes                          | 6,171,489                                      | 5,860,551                      | -                                     | 63,456                         |
| 320   | Licenses and Permits           | 331,027  | 331,027                        | -                                     | -                              |
| 330   | Intergovernmental Revenues     | 1,641,822                                      | 1,641,822                      | -                                     | -                              |
| 340   | Charges for Goods and Services | 6,991,146                                      | 952,783                        | 10,189                                | -                              |
| 350   | Fines and Penalties            | 44,147   | 44,147                         | -                                     | -                              |
| 360   | Miscellaneous Revenues         | 766,276  | 395,679                        | 55                                    | 170                            |
| Total Revenues:                                     |                                | 15,945,907                                     | 9,226,009                      | 10,244                                | 63,626                         |
| <b>Expenditures</b>                                 |                                |  |                                |                                       |                                |
| 510   | General Government             | 1,883,696                                      | 1,883,696                      | -                                     | -                              |
| 520   | Public Safety                  | 2,443,203                                      | 2,443,203                      | -                                     | -                              |
| 530   | Utilities                      | 5,053,624                                      | 29,002                         | -                                     | -                              |
| 540   | Transportation                 | 881,044  | 881,044                        | -                                     | -                              |
| 550   | Natural/Economic Environment   | 629,800  | 563,434                        | 15,000                                | 51,366                         |
| 560   | Social Services                | 4,107  | 4,107                          | -                                     | -                              |
| 570   | Culture and Recreation         | 304,329  | 304,329                        | -                                     | -                              |
| Total Expenditures:                                 |                                | 11,199,803                                     | 6,108,815                      | 15,000                                | 51,366                         |
| Excess (Deficiency) Revenues over Expenditures:     |                                | 4,746,104                                      | 3,117,194                      | (4,756)                               | 12,260                         |
| <b>Other Increases in Fund Resources</b>            |                                |  |                                |                                       |                                |
| 391-393, 596  | Debt Proceeds                  | 410,000  | -                              | -                                     | -                              |
| 397   | Transfers-In                   | 1,468,297                                      | -                              | -                                     | -                              |
| 385   | Special or Extraordinary Items | -  | -                              | -                                     | -                              |
| 381, 382, 389, 395, 398                             | Other Resources                | 88,900   | 81,052                         | -                                     | -                              |
| Total Other Increases in Fund Resources:            |                                | 1,967,197                                      | 81,052                         | -                                     | -                              |
| <b>Other Decreases in Fund Resources</b>            |                                |  |                                |                                       |                                |
| 594-595   | Capital Expenditures           | 4,619,069                                      | 2,861,494                      | -                                     | -                              |
| 591-593, 599  | Debt Service                   | 517,210  | 6,052                          | -                                     | -                              |
| 597   | Transfers-Out                  | 1,468,297                                      | 226,251                        | -                                     | -                              |
| 585   | Special or Extraordinary Items | -  | -                              | -                                     | -                              |
| 581, 582, 589                                       | Other Uses                     | 25,444   | 24,456                         | -                                     | -                              |
| Total Other Decreases in Fund Resources:            |                                | 6,630,020                                      | 3,118,253                      | -                                     | -                              |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                | <b>83,281</b>                                  | <b>79,993</b>                  | <b>(4,756)</b>                        | <b>12,260</b>                  |
| <b>Ending Cash and Investments</b>                  |                                |  |                                |                                       |                                |
| 50821   | Nonspendable                   | -  | -                              | -                                     | -                              |
| 50831   | Restricted                     | 2,616,666                                      | 1,391,144                      | 42                                    | 65,300                         |
| 50841   | Committed                      | -  | -                              | -                                     | -                              |
| 50851   | Assigned                       | 6,451,153                                      | 563,900                        | -                                     | -                              |
| 50891   | Unassigned                     | 3,939,191                                      | 3,939,191                      | -                                     | -                              |
| <b>Total Ending Cash and Investments</b>            |                                | <b>13,007,010</b>                              | <b>5,894,235</b>               | <b>42</b>                             | <b>65,300</b>                  |

The accompanying notes are an integral part of this statement.

**City of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|   |                                | <b>228 LTGO 2012</b> | <b>229 LTGO 2013</b> | <b>230 LTGO 2017<br/>(Fire Station)</b> | <b>232 LTGO 2022<br/>(Public Works<br/>Office)</b> |
|---|--------------------------------|----------------------|----------------------|---|--|
| <b>Beginning Cash and Investments</b>               |                                |                      |                      |   |  |
| 308   | Beginning Cash and Investments | 550,753              | -                    | 734                                     | -  |
| 388 / 588   | Net Adjustments                | -                    | -                    | -                                       | -  |
| <b>Revenues</b>                                     |                                |                      |                      |   |  |
| 310   | Taxes                          | 247,482              | -                    | -                                       | -  |
| 320   | Licenses and Permits           | -                    | -                    | -                                       | -  |
| 330   | Intergovernmental Revenues     | -                    | -                    | -                                       | -  |
| 340   | Charges for Goods and Services | -                    | -                    | -                                       | -  |
| 350   | Fines and Penalties            | -                    | -                    | -                                       | -  |
| 360   | Miscellaneous Revenues         | 2,922                | -                    | -                                       | -  |
| Total Revenues:                                     |                                | 250,404              | -                    | -                                       | -  |
| <b>Expenditures</b>                                 |                                |                      |                      |   |  |
| 510   | General Government             | -                    | -                    | -                                       | -  |
| 520   | Public Safety                  | -                    | -                    | -                                       | -  |
| 530   | Utilities                      | -                    | -                    | -                                       | -  |
| 540   | Transportation                 | -                    | -                    | -                                       | -  |
| 550   | Natural/Economic Environment   | -                    | -                    | -                                       | -  |
| 560   | Social Services                | -                    | -                    | -                                       | -  |
| 570   | Culture and Recreation         | -                    | -                    | -                                       | -  |
| Total Expenditures:                                 |                                | -                    | -                    | -                                       | -  |
| Excess (Deficiency) Revenues over Expenditures:     |                                | 250,404              | -                    | -                                       | -  |
| <b>Other Increases in Fund Resources</b>            |                                |                      |                      |   |  |
| 391-393, 596  | Debt Proceeds                  | -                    | -                    | -                                       | -  |
| 397   | Transfers-In                   | -                    | 131,965              | 53,486                                  | 34,670   |
| 385   | Special or Extraordinary Items | -                    | -                    | -                                       | -  |
| 381, 382, 389,<br>395, 398                          | Other Resources                | -                    | -                    | -                                       | -  |
| Total Other Increases in Fund Resources:            |                                | -                    | 131,965              | 53,486                                  | 34,670   |
| <b>Other Decreases in Fund Resources</b>            |                                |                      |                      |   |  |
| 594-595   | Capital Expenditures           | -                    | -                    | -                                       | -  |
| 591-593, 599  | Debt Service                   | 122,750              | 131,965              | 43,370                                  | 30,669   |
| 597   | Transfers-Out                  | -                    | -                    | -                                       | -  |
| 585   | Special or Extraordinary Items | -                    | -                    | -                                       | -  |
| 581, 582, 589                                       | Other Uses                     | -                    | -                    | -                                       | -  |
| Total Other Decreases in Fund Resources:            |                                | 122,750              | 131,965              | 43,370                                  | 30,669   |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                | <b>127,654</b>       | <b>-</b>             | <b>10,116</b>                           | <b>4,001</b>                                       |
| <b>Ending Cash and Investments</b>                  |                                |                      |                      |   |  |
| 50821   | Nonspendable                   | -                    | -                    | -                                       | -  |
| 50831   | Restricted                     | 678,406              | -                    | 10,850                                  | 4,001  |
| 50841   | Committed                      | -                    | -                    | -                                       | -  |
| 50851   | Assigned                       | -                    | -                    | -                                       | -  |
| 50891   | Unassigned                     | -                    | -                    | -                                       | -  |
| <b>Total Ending Cash and Investments</b>            |                                | <b>678,406</b>       | <b>-</b>             | <b>10,850</b>                           | <b>4,001</b>                                       |

The accompanying notes are an integral part of this statement.

**City of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|   |                                | <b>319 Public<br/>Works Bond</b> | <b>334 Lakeshore<br/>Sanitary &amp;<br/>Water</b> | <b>351 Impact<br/>Fees: Fire</b> | <b>352 Impact<br/>Fees: Park</b> |
|---|--------------------------------|----------------------------------|---|----------------------------------|----------------------------------|
| <b>Beginning Cash and Investments</b>               |                                |                                  |   |                                  |                                  |
| 308   | Beginning Cash and Investments | -                                | -   | 388,724                          | 47,710                           |
| 388 / 588   | Net Adjustments                | -                                | -   | -                                | -                                |
| <b>Revenues</b>                                     |                                |                                  |   |                                  |                                  |
| 310   | Taxes                          | -                                | -   | -                                | -                                |
| 320   | Licenses and Permits           | -                                | -   | -                                | -                                |
| 330   | Intergovernmental Revenues     | -                                | -   | -                                | -                                |
| 340   | Charges for Goods and Services | -                                | -   | 21,774                           | -                                |
| 350   | Fines and Penalties            | -                                | -   | -                                | -                                |
| 360   | Miscellaneous Revenues         | -                                | -   | 1,949                            | 282                              |
| Total Revenues:                                     |                                | -                                | -   | 23,723                           | 282                              |
| <b>Expenditures</b>                                 |                                |                                  |   |                                  |                                  |
| 510   | General Government             | -                                | -   | -                                | -                                |
| 520   | Public Safety                  | -                                | -   | -                                | -                                |
| 530   | Utilities                      | -                                | -   | -                                | -                                |
| 540   | Transportation                 | -                                | -   | -                                | -                                |
| 550   | Natural/Economic Environment   | -                                | -   | -                                | -                                |
| 560   | Social Services                | -                                | -   | -                                | -                                |
| 570   | Culture and Recreation         | -                                | -   | -                                | -                                |
| Total Expenditures:                                 |                                | -                                | -   | -                                | -                                |
| Excess (Deficiency) Revenues over Expenditures:     |                                | -                                | -   | 23,723                           | 282                              |
| <b>Other Increases in Fund Resources</b>            |                                |                                  |   |                                  |                                  |
| 391-393, 596  | Debt Proceeds                  | 410,000                          | -   | -                                | -                                |
| 397   | Transfers-In                   | -                                | 1,248,176   | -                                | -                                |
| 385   | Special or Extraordinary Items | -                                | -   | -                                | -                                |
| 381, 382, 389,<br>395, 398                          | Other Resources                | -                                | -   | -                                | -                                |
| Total Other Increases in Fund Resources:            |                                | 410,000                          | 1,248,176   | -                                | -                                |
| <b>Other Decreases in Fund Resources</b>            |                                |                                  |   |                                  |                                  |
| 594-595   | Capital Expenditures           | -                                | 1,248,168   | -                                | -                                |
| 591-593, 599  | Debt Service                   | -                                | -   | -                                | -                                |
| 597   | Transfers-Out                  | 34,670                           | -   | -                                | -                                |
| 585   | Special or Extraordinary Items | -                                | -   | -                                | -                                |
| 581, 582, 589                                       | Other Uses                     | -                                | -   | -                                | -                                |
| Total Other Decreases in Fund Resources:            |                                | 34,670                           | 1,248,168   | -                                | -                                |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                | <b>375,330</b>                   | <b>8</b>  | <b>23,723</b>                    | <b>282</b>                       |
| <b>Ending Cash and Investments</b>                  |                                |                                  |   |                                  |                                  |
| 50821   | Nonspendable                   | -                                | -   | -                                | -                                |
| 50831   | Restricted                     | -                                | -   | 412,446                          | 47,991                           |
| 50841   | Committed                      | -                                | -   | -                                | -                                |
| 50851   | Assigned                       | 375,330                          | 8   | -                                | -                                |
| 50891   | Unassigned                     | -                                | -   | -                                | -                                |
| <b>Total Ending Cash and Investments</b>            |                                | <b>375,330</b>                   | <b>8</b>  | <b>412,446</b>                   | <b>47,991</b>                    |

The accompanying notes are an integral part of this statement.

**City of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|   |                                | <b>353 Impact<br/>Fees:<br/>Transportation</b> | <b>401 Water</b> | <b>402 Sewer</b> | <b>403 Garbage<br/>Collection</b> |
|---|--------------------------------|--|------------------|------------------|-----------------------------------|
| <b>Beginning Cash and Investments</b>               |                                |  |                  |                  |                                   |
| 308   | Beginning Cash and Investments | -  | 1,979,464        | 4,084,263        | 2                                 |
| 388 / 588   | Net Adjustments                | -  | -                | -                | -                                 |
| <b>Revenues</b>                                     |                                |  |                  |                  |                                   |
| 310   | Taxes                          | -  | -                | -                | -                                 |
| 320   | Licenses and Permits           | -  | -                | -                | -                                 |
| 330   | Intergovernmental Revenues     | -  | -                | -                | -                                 |
| 340   | Charges for Goods and Services | 6,486  | 2,248,844        | 2,638,784        | 1,075,320                         |
| 350   | Fines and Penalties            | -  | -                | -                | -                                 |
| 360   | Miscellaneous Revenues         | -  | 279,313          | 85,837           | 69                                |
| Total Revenues:                                     |                                | 6,486  | 2,528,157        | 2,724,621        | 1,075,389                         |
| <b>Expenditures</b>                                 |                                |  |                  |                  |                                   |
| 510   | General Government             | -  | -                | -                | -                                 |
| 520   | Public Safety                  | -  | -                | -                | -                                 |
| 530   | Utilities                      | -  | 2,285,084        | 1,868,085        | 870,025                           |
| 540   | Transportation                 | -  | -                | -                | -                                 |
| 550   | Natural/Economic Environment   | -  | -                | -                | -                                 |
| 560   | Social Services                | -  | -                | -                | -                                 |
| 570   | Culture and Recreation         | -  | -                | -                | -                                 |
| Total Expenditures:                                 |                                | -  | 2,285,084        | 1,868,085        | 870,025                           |
| Excess (Deficiency) Revenues over Expenditures:     |                                | 6,486  | 243,073          | 856,536          | 205,364                           |
| <b>Other Increases in Fund Resources</b>            |                                |  |                  |                  |                                   |
| 391-393, 596  | Debt Proceeds                  | -  | -                | -                | -                                 |
| 397   | Transfers-In                   | -  | -                | -                | -                                 |
| 385   | Special or Extraordinary Items | -  | -                | -                | -                                 |
| 381, 382, 389, 395, 398                             | Other Resources                | -  | 7,848            | -                | -                                 |
| Total Other Increases in Fund Resources:            |                                | -  | 7,848            | -                | -                                 |
| <b>Other Decreases in Fund Resources</b>            |                                |  |                  |                  |                                   |
| 594-595   | Capital Expenditures           | -  | 193,239          | 316,168          | -                                 |
| 591-593, 599  | Debt Service                   | -  | 55,870           | 126,534          | -                                 |
| 597   | Transfers-Out                  | -  | 603,688          | 603,688          | -                                 |
| 585   | Special or Extraordinary Items | -  | -                | -                | -                                 |
| 581, 582, 589                                       | Other Uses                     | -  | 988              | -                | -                                 |
| Total Other Decreases in Fund Resources:            |                                | -  | 853,785          | 1,046,390        | -                                 |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                | <b>6,486</b>                                   | <b>(602,864)</b> | <b>(189,854)</b> | <b>205,364</b>                    |
| <b>Ending Cash and Investments</b>                  |                                |  |                  |                  |                                   |
| 50821   | Nonspendable                   | -  | -                | -                | -                                 |
| 50831   | Restricted                     | 6,486  | -                | -                | -                                 |
| 50841   | Committed                      | -  | -                | -                | -                                 |
| 50851   | Assigned                       | -  | 1,376,602        | 3,894,408        | 205,367                           |
| 50891   | Unassigned                     | -  | -                | -                | -                                 |
| <b>Total Ending Cash and Investments</b>            |                                | <b>6,486</b>                                   | <b>1,376,602</b> | <b>3,894,408</b> | <b>205,367</b>                    |

The accompanying notes are an integral part of this statement.



**City of Woodland**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|   |                                | <u>404 Stormwater</u> |
|---|--------------------------------|-----------------------|
| <b>Beginning Cash and Investments</b>               |                                |                       |
| 308   | Beginning Cash and Investments | -                     |
| 388 / 588   | Net Adjustments                | -                     |
| <b>Revenues</b>                                     |                                |                       |
| 310   | Taxes                          | -                     |
| 320   | Licenses and Permits           | -                     |
| 330   | Intergovernmental Revenues     | -                     |
| 340   | Charges for Goods and Services | 36,966                |
| 350   | Fines and Penalties            | -                     |
| 360   | Miscellaneous Revenues         | -                     |
| Total Revenues:                                     |                                | <u>36,966</u>         |
| <b>Expenditures</b>                                 |                                |                       |
| 510   | General Government             | -                     |
| 520   | Public Safety                  | -                     |
| 530   | Utilities                      | 1,428                 |
| 540   | Transportation                 | -                     |
| 550   | Natural/Economic Environment   | -                     |
| 560   | Social Services                | -                     |
| 570   | Culture and Recreation         | -                     |
| Total Expenditures:                                 |                                | <u>1,428</u>          |
| Excess (Deficiency) Revenues over Expenditures:     |                                | <u>35,538</u>         |
| <b>Other Increases in Fund Resources</b>            |                                |                       |
| 391-393, 596  | Debt Proceeds                  | -                     |
| 397   | Transfers-In                   | -                     |
| 385   | Special or Extraordinary Items | -                     |
| 381, 382, 389, 395, 398                             | Other Resources                | -                     |
| Total Other Increases in Fund Resources:            |                                | <u>-</u>              |
| <b>Other Decreases in Fund Resources</b>            |                                |                       |
| 594-595   | Capital Expenditures           | -                     |
| 591-593, 599  | Debt Service                   | -                     |
| 597   | Transfers-Out                  | -                     |
| 585   | Special or Extraordinary Items | -                     |
| 581, 582, 589                                       | Other Uses                     | -                     |
| Total Other Decreases in Fund Resources:            |                                | <u>-</u>              |
| <b>Increase (Decrease) in Cash and Investments:</b> |                                | <b><u>35,538</u></b>  |
| <b>Ending Cash and Investments</b>                  |                                |                       |
| 50821   | Nonspendable                   | -                     |
| 50831   | Restricted                     | -                     |
| 50841   | Committed                      | -                     |
| 50851   | Assigned                       | 35,538                |
| 50891   | Unassigned                     | -                     |
| <b>Total Ending Cash and Investments</b>            |                                | <b><u>35,538</u></b>  |

*The accompanying notes are an integral part of this statement.*

**City of Woodland**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2022**

|           |  | <b>Total for All<br/>Funds<br/>(Memo Only)</b> | <b>Custodial</b> |
|-----------|--|--|------------------|
| 308       | Beginning Cash and Investments                   | 58,132   | 58,132           |
| 388 & 588 | Net Adjustments                                  | (44,321)                                       | (44,321)         |
| 310-390   | Additions  | 77,314   | 77,314           |
| 510-590   | Deductions                                       | 79,628   | 79,628           |
|           | Net Increase (Decrease) in Cash and Investments: | (2,314)  | (2,314)          |
| 508       | Ending Cash and Investments                      | 11,497   | 11,497           |

*The accompanying notes are an integral part of this statement.*

# 2022

## CITY OF WOODLAND

### NOTES TO FINANCIAL STATEMENTS

January 1, 2022 through December 31, 2022

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Woodland was incorporated on March 26, 1906 and operates under the laws of the State of Washington applicable to optional code cities (Title 35A RCW). The City is a general purpose local government and provides major types of services such as: public safety, street improvements, parks, and general administrative services. In addition, the City operates a sewer and water system; and contracts for fire protection services and garbage service.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

#### **A. Fund Accounting**

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following are the fund types used:

## **GOVERNMENTAL FUND TYPES:**

### General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

### Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

### Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

## **PROPRIETARY FUND TYPES:**

### Enterprise Funds

These funds account for operations that provide goods and services to the general public and are supported primarily through user charges.

## **FIDUCIARY FUND TYPES:**

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others.

### Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

## **B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the city also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

## **C. Cash and Investments**

(See Note #3), *Deposits and Investments*

#### **D. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life of a varied amount of years. The capital assets of the City are recorded as expenditures when purchased.

#### **E. Compensated Absences**

Vacation leave may be accumulated as follows and is payable upon separation or retirement. Unless otherwise approved by the Mayor, an employee may carry over no more than a maximum of one (1) year accrued vacation plus the unused vacation accrual of the current anniversary year at their current rate. However, at the end of any anniversary year, any annual leave balance above the unused vacation accrual of the current anniversary year plus a maximum of one (1) year will lapse; that is, an employee at the beginning of any anniversary year shall have no more than two (2) years accrued vacation. Such approval shall be based on a finding that the employee was unable to schedule and take accumulated vacation within the prescribed time period.

Sick leave may be accumulated up to 1,200 hours. Upon separation or retirement employees do receive payment for a portion of unused sick leave. Payments are recognized as expenditures when paid.

#### **F. Long Term Debt**

See Note #6, Long Term Debt

#### **G. Restricted and Committed Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by laws of the City. When expenditures that meet restrictions are incurred, the City intends to use reserved resources first before using unreserved amounts.

Restricted and commitments of Ending Cash and Investments consist of:

**Fund 001 Current Expense** – ARPA funding in the amount of \$1,275,947 fund is reserved for the purpose of infrastructure.

**Fund 105 Document Recording Fee** - The main source of revenue is Recording Surcharge/Affordable Housing. The Expenditures are restricted to those that qualify per RCW 36.22.178 for eligible housing activities that serve very low-income households with incomes at or below 50 percent of the area median income. The Ending Fund Balance of \$42 is reserved for the purpose to fund eligible housing activities.

**Fund 107 Hotel/Motel Tax Fund** – Chapter 67.28 RCW restricts use of Hotel/Motel tax revenues. The Ending Fund Balance of \$65,300 is reserved for the purpose to fund eligible tourism activities or operations.

**Fund 228-2012 Long Term General Obligation Debt** – revenues and expenditures are restricted by the issuer of this LTGO debt as authorized in 2012. The Ending Fund Balance of \$678,406 is reserved for the purpose of LTGO debt repayment.

**Fund 229-2013 Long Term General Obligation Debt** – revenues and expenditures are restricted by the issuer of this LTGO debt as authorized in 2013. The Ending Fund Balance of \$0 is reserved for the purpose of LTGO debt repayment.

**Fund 230-2017 Long Term General Obligation Debt** – revenues and expenditures are restricted by the issuer of this LTGO debt as authorized in 2017. The Ending Fund Balance of \$10,850 is reserved for the purpose of LTGO debt repayment.

**Fund 232-2022 Long Term General Obligation Debt** – revenues and expenditures are restricted by the issuer of this LTGO debt as authorized in 2022. The Ending Fund Balance of \$4,001 is reserved for the purpose of LTGO debt repayment.

**Fund 301-Capital Project Reserve: General** - revenues and expenditures are rolled into the general fund. The City is in compliance with RCW 82.46.010 by putting REET money into a capital project fund. The Ending Fund Balance of \$115,196 is restricted.

**Fund 351 Impact Fees: Fire** - revenues and expenditures are restricted for Fire purposes only in compliance with the Growth Management Act Chapter 36.70A.070 RCW. The Ending Fund Balance of \$412,446 is restricted for the purpose of fire capital expenditures related to growth.

**Fund 352 Impact Fees: Park** - revenues and expenditures are restricted for park purposes only in compliance with the Growth Management Act Chapter 36.70A.070 RCW. The Ending Fund Balance of \$47,991 is reserved for the purpose of park capital expenditures related to growth.

**Fund 353 Impact Fees: Transportation** - revenues and expenditures are restricted for transportation purposes only in compliance with the Growth Management Act Chapter 36.70A.070 RCW. The Ending Fund Balance of \$6,486 is reserved for the purpose of park capital expenditures related to growth.

**Fund 635 Custodial Fund** – revenues and expenditures are restricted as pass through payments to other governmental units. The Ending Fund Balance of \$11,497 is reserved for the purpose of payment to other state agencies.

## **NOTE 2. Budget Compliance**

### **A. Budgets**

The City adopts annual appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The 2022 Final Appropriated amounts and 2022 Actual Expenditures on the following table do not tie to Schedule 01 or C4 as various funds are rolled up per Budgeting Accounting Reporting System (BARS).

The appropriated and actual expenditures (without fund balance) for the legally adopted budgets were as follows:

| <b>FUND</b> | <b>DESCRIPTION</b>  | <b>2022 Final<br/>Appropriated<br/>Amounts</b> | <b>2022 Actual<br/>Expenditures</b> | <b>Variance</b> |
|-------------|---|--|-------------------------------------|-----------------|
| 1           | Current Expense   | 6,938,768                                      | 6,416,871                           | 521,897         |
| 101         | Park  | 397,383  | 341,388                             | 55,995          |
| 104         | Street  | 1,529,332                                      | 1,193,899                           | 335,433         |
| 105         | Document Recording Fee                                    | 15,000   | 15,000                              | 0               |
| 107         | Hotel/Motel Tax   | 58,500   | 51,366                              | 7,134           |
| 228         | LTGO 2012   | 123,050  | 122,750                             | 300             |
| 229         | LTGO 2013   | 132,265  | 131,965                             | 300             |
| 230         | LTGO 2017   | 53,740   | 43,370                              | 10,370          |
| 232         | LTGO 2022   | 34,670   | 30,669                              | 4,001           |
| 301         | Cap Project Reserve: General                              | 2,064,092                                      | 2,064,092                           | 0               |
| 304         | Equipment Acquisition Reserve                             | 25,000   | 0                                   | 25,000          |
| 319         | Public Works Bond   | 34,670   | 34,670                              | 0               |
| 320         | Sidewalk Project  | 0  | 0                                   | 0               |
| 324         | WSDOT Exit 21 Feasibility                                 | 216,066  | 0                                   | 216,066         |
| 326         | South Woodland SRTS                                       | 0  | 9                                   | (9)             |
| 327         | SR503/CC Street Project                                   | 147,928  | 0                                   | 147,928         |
| 328         | W Scott Full Depth Reclamation                            | 125,368  | 125,364                             | 4               |
| 329         | Davidson Avenue BNSF Water Main Crossing                  | 580,409  | 580,421                             | (12)            |
| 330         | Lakeshore Drive Pavement & Pedestrian Improvement Project | 389,361  | 389,359                             | 2               |
| 331         | Pedestrian RR Crossing                                    | 635,480  | 635,477                             | 3               |
| 332         | West Scott Waterline RR Crossing                          | 529,000  | 527,787                             | 1,213           |

|     |   |                   |                   |                  |
|-----|---|-------------------|-------------------|------------------|
| 333 | Asbestos Waterline Replacement on W Scott | 40,000            | 11,101            | 28,899           |
| 334 | Lakeshore Sanitary & Water                | 1,248,176         | 1,248,168         | 8                |
| 335 | Gun Club Road Sidewalk and Bike Lane      | 42,590            | 42,587            | 3                |
| 336 | Gun Club Road ADA. Grind & Overlay        | 75,000            | 72,738            | 2,262            |
| 351 | Impact Fees-Fire                          | 0                 | 0                 | 0                |
| 352 | Impact Fees-Park                          | 0                 | 0                 | 0                |
| 353 | Impact Fees-Transportation                | 0                 | 0                 | 0                |
| 401 | Water                                     | 3,521,426         | 3,138,169         | 383,257          |
| 402 | Sewer                                     | 4,587,477         | 2,914,384         | 1,673,003        |
| 403 | Garbage                                   | 1,003,563         | 870,024           | 133,539          |
| 404 | Stormwater                                | 17,390            | 1,428             | 15,962           |
| 413 | Booster Pump Station/WTP                  | 100,000           | 13,880            | 86,120           |
| 414 | WTP HVAC & Electrical                     | 0                 | 0                 | 0                |
| 421 | Utility Reserve-Water                     | 0                 | 0                 | 0                |
| 422 | Utility Reserve-Sewer                     | 0                 | 0                 | 0                |
| 635 | Custodial Fund                            | 55,160            | 79,628            | (24,468)         |
| 640 | Utility Deposits                          | 91,731            | 91,731            | 0                |
|     | <b>TOTAL</b>                              | <b>24,812,595</b> | <b>21,188,295</b> | <b>3,624,300</b> |

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the city's legislative body.

### **NOTE 3 – DEPOSITS AND INVESTMENTS**

Investments are reported at amortized cost. Investments by type at December 31, 2022 are as follows:

| <b><u>Type of Deposit or Investment</u></b> | <b><u>City's Own Deposits<br/>and Investments</u></b> | <b><u>Fiduciary</u></b> | <b><u>Total</u></b>         |
|---|---|-------------------------|-----------------------------|
| Bank Deposits - Cash                        | 1,096,732.47  |                         | 1,096,732.47                |
| Local Government Investment Pool            | 1,267,849.90  |                         | 1,267,849.90                |
| U.S. Bank Investments                       | 11,784,954.48   |                         | 11,784,954.48               |
| Payroll Clearing Fund                       | (220,004.65)  |                         | (220,004.65)                |
| Claims Clearing Fund                        | (922,521.89)  |                         | (922,521.89)                |
| Fiduciary Funds                             |   | 11,496.69               | 11,496.69                   |
|   | <b><u>13,007,010.31</u></b>                           | <b><u>11,496.69</u></b> | <b><u>13,018,507.00</u></b> |

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.



All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City or its agent in the government's name.

#### Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at an amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

#### **NOTE 4 - PROPERTY TAXES**

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property when taxes are levied.

The City's regular levy for 2022 was \$.08519 per \$1,000 on an assessed valuation of 1,000,265,615 in Cowlitz County, and 11,053,168 in Clark County, for a combined total of 1,011,318,783 for a regular total levy of \$ 861,552.

#### **NOTE 5 – INTERFUND LOANS**

The following table displays interfund loan activity during 2022:

| Borrowing Fund | Lending Fund | Balance 01/01/2022 | New Loans | Payments | Balance 12/31/2022 |
|----------------|--------------|--------------------|-----------|----------|--------------------|
| 320            | 301          | \$ 5,100           |           |          | \$ 5,100           |
| <b>Totals</b>  |              | \$ 5,100           |           |          | \$ 5,100           |

#### **NOTE 6 – LONG-TERM DEBT**

##### Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions for the year ended December 31, 2022.

The debt service requirements for general obligation bonds, revenue bonds are as follows:

| Debt Service Requirements |  |                  |                  |                  |
|---------------------------|--|------------------|------------------|------------------|
| Year                      |  | Principal        | Interest         | Total            |
| 2023                      |  | 360,657          | 154,959          | 515,616          |
| 2024                      |  | 280,081          | 147,685          | 427,766          |
| 2025                      |  | 296,081          | 140,582          | 436,663          |
| 2026                      |  | 302,081          | 132,852          | 434,933          |
| 2027                      |  | 313,081          | 125,947          | 439,028          |
| 2028 - 2032               |  | 1,717,406        | 491,341          | 2,208,747        |
| 2033 - 2037               |  | 1,220,000        | 226,557          | 1,446,557        |
| 2038 - 2042               |  | 330,000          | 30,841           | 360,841          |
| <b>Totals</b>             |  | <b>4,819,387</b> | <b>1,450,764</b> | <b>6,270,151</b> |

## **NOTE 7 - PENSION PLANS**

### **A. State Sponsored Pension Plans**

Substantially all city's full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2022 (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

|          | Employer Contributions | Allocation % | Liability ( Assets) |
|----------|------------------------|--------------|---------------------|
| PERS 1   | \$ 64,490              | 0.010523%    | 292,999             |
| PERS 2/3 | \$ 110,555             | 0.013761%    | (510,365)           |
| LEOFF 1  |                        | 0.003375%    | (96,816)            |
| LEOFF 2  | \$ 58,105              | 0.028066%    | (762,749)           |

LEOFF Plan 1

The City also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

#### LEOFF Plan 2

The City also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

### **NOTE 8 – RISK MANAGEMENT**

City of Woodland is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of November 30, 2022, membership includes 195 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, Crime Protection and Liability, including General, Automobile, Wrongful Acts, and Cyber, which are included to fit the member's various needs.

The program acquires reinsurance through their administrator, Clear Risk Solutions. Liability coverage is purchased to an aggregate limit of \$50,000,000 with a self-insured retention (SIR) of \$500,000. Members are responsible for a \$1,000 to \$50,000 deductible for each claim (can vary by member), while the program is responsible for the \$500,000 SIR. Since the program is a cooperative program, there is joint liability among the participating members toward the sharing of the \$500,000 SIR, in addition to the deductible. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$7,110,058, which is fully funded in its annual budget.

Property insurance is subject to a per occurrence SIR of \$500,000. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the \$500,000 SIR, in addition to the deductible.

Crime insurance is subject to a per occurrence SIR of \$25,000. Members are responsible for a \$1,000 deductible for each claim (some member deductibles vary). The program bears the \$25,000 SIR, in addition to the deductible.

Equipment Breakdown insurance is subject to a per occurrence deductible of \$2,500 (cities and special districts) and \$500 (fire districts), which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program SIR on this coverage, with the exception of Pumps & Motors, which is \$15,000 and is covered by CIAW.

Cyber liability insurance is subject to a per-occurrence SIR of \$50,000. Members are responsible for a \$10,000 deductible for each claim, while the program is responsible for the remaining \$40,000 SIR.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2022, were \$2,747,183.56.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

#### **NOTE 9 – OPEB Plans**

##### **A. OPEB / LEOFF 1**

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City as required by RCW 41.26. The plan pays for 100% of eligible retirees' health care costs on a pay-as-you-go basis. As of December 31, 2022, the plan had one member, who is retired. As of December 31, 2022 the City's total OPEB liability was \$551,857, as calculated using the alternative measurement method. For the year ended December 31, 2022, the City paid \$16,811 in benefits.

#### **NOTE 10 – OTHER DISCLOSURES**

##### **A. CONSTRUCTION COMMITMENT**

The City has active construction projects as of December 31, 2022. The projects at year-end for the city's commitment with contractors are as follows:

| Project Name  | Spent<br>1/1 - 12/31<br>2022 | Remaining<br>Commitment<br>(2023+) |
|---|------------------------------|------------------------------------|
| Water System Plan (Prof. Services)                  | \$ 8,932.21                  | \$ -                               |
| Scott Hill Booster Station                          | \$ 14,585.80                 | \$ -                               |
| Davidson Waterline RR Crossing                      | \$ 541,666.99                | \$ 82,413.85                       |
| Gun Club Sidewalk & Bike Lane (Engineering)         | \$ 42,587.45                 | \$ 36,509.24                       |
| Gun Club Sidewalk & Bike Lane (Construction)        |                              |                                    |
| Gun Club ADA, Grind & Overlay (Engineering)         | \$ 72,737.96                 | \$ 11,112.04                       |
| Pacific Ave Sidewalks                               | \$ 2,310.06                  | \$ -                               |
| Lakeshore Sanitary & Water                          | \$1,245,495.97               | \$ 198,610.76                      |
| Lakeshore Pavement & Ped                            | \$ 403,727.00                | \$ 946,678.53                      |
| WTP Filter #1 Media Replacement                     | \$ 294,872.21                | \$ 18,715.38                       |
| WTP Filter #2 Media Replacement (engineering only)  | \$ 10,400.20                 | \$ 6,871.44                        |
| W Scott FDR (TIB Grant, engineering only)           | \$ 79,149.61                 | \$ 34,999.22                       |
| W Scott FDR (TIB Grant CN)                          |                              | \$2,281,910.00                     |
| W Scott Waterline RR Crossing                       | \$ 619,283.69                | \$ 18,302.53                       |
| W Scott RR Ped Crossing                             | \$ 654,618.34                | \$ 153,883.72                      |
| W Scott AC Waterline Replacement (Engineering)      | \$ 17,255.81                 | \$ 32,044.19                       |
| W Scott AC Waterline Replacement (Construction)     |                              | \$ 550,000.00                      |
| OPH Frontage & Utility Imp/Scott Hill Sewer tie-in  | \$ 9,557.09                  | \$ -                               |
| Goerig Overlay & Ramps(TIB Grant)                   | \$ 6,903.80                  | \$ -                               |
| WWTP Headworks Screen Project                       | \$ 89,262.53                 | \$ -                               |
| RAISE Grant Application (Prof. Services)            | \$ -                         | \$ 21,845.00                       |
| Reservior #4 ( Geotech Investigation & Engineering) | \$ 71,263.18                 | \$ 146,966.02                      |
| Lift Station #8 Engineering                         | \$ 36,235.00                 | \$ 59,065.00                       |
| Lift station #8 Equipment & Construction            |                              | \$ 383,000.00                      |
| <b>Small Works</b>                                  | <b>2022</b>                  | <b>2023+</b>                       |
| 2021 with 2022 spending                             |                              |                                    |
| WTP #3 Res & Clearwell: inspection & cleaning       | \$ 5,287.10                  | \$ -                               |
| Atlantic (& Loves) sidewalk Project                 | \$ 5,358.33                  | \$ -                               |
| WTP Gravel Work                                     | \$ 7,423.52                  | \$ -                               |
| 2022  |                              |                                    |
| Lift Station Vac Work                               | \$ 41,674.00                 | \$ -                               |
| Community Building Siding & Roofing                 | \$ 43,207.59                 | \$ -                               |
| Camera Installation                                 | \$ 10,210.06                 | \$ -                               |
| WTP Stump & Debris Removal                          | \$ 32,283.68                 | \$ 5,697.12                        |
| Dahlia St. Drywell & N Goerig Patch                 | \$ 6,312.15                  | \$ -                               |
| Parking Lot(s) Seal Coating                         | \$ 19,638.55                 | \$ -                               |
| Downtown Curb Painting                              | \$ 23,680.00                 | \$ -                               |

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Sidewalk & Catch Basin Repairs       | \$ 16,490.00 | \$ 34,900.00 |
| Asphalt Patching 2022                | \$ 28,994.79 | \$ -         |
| WTP Lagoons Cleaning                 | \$ 33,664.80 |              |
| 236 A Davidson Drywall Repair        | \$ 3,446.40  | \$ -         |
| Foxtail Street Trimming              | \$ 5,474.10  | \$ -         |
| EMERGENCY Sewer Repair Millard       | \$ 15,532.11 | \$ -         |
| EMERGENCY Ranney Well VFD            | \$ 18,000.00 | \$ -         |
| EMERGENCY Embassy Lp Tree Removal    | \$ 18,126.30 | \$ -         |
| Island Aire Fence at HSL Pocket Park | \$ 11,383.13 | \$ -         |
| Ranney Pump #1 Inspect & Repair      |              | \$ 14,766.12 |
| EMERGENCY LS#6 Repair                | \$ 30,828.66 | \$ 1,497.99  |

**City of Woodland  
Schedule of Liabilities  
For the Year Ended December 31, 2022**

| <b>ID. No.</b>  | <b>Description</b>                   | <b>Due Date</b> | <b>Beginning Balance</b> | <b>Additions</b> | <b>Reductions</b> | <b>Ending Balance</b> |
|---|--------------------------------------|-----------------|--------------------------|------------------|-------------------|-----------------------|
| <b>General Obligation Debt/Liabilities</b>                  |                                      |                 |                          |                  |                   |                       |
| 251.11  | LTGO 2017 Fire Station               | 12/1/2031       | 375,000                  | -                | 33,000            | 342,000               |
| 251.11  | LTGO 2012/2005 (Police Station,      | 12/1/2036       | 1,610,000                | -                | 60,000            | 1,550,000             |
| 251.11  | LTGO 2012 Additional Police Station, | 12/1/2040       | 1,610,000                | -                | 55,000            | 1,555,000             |
| 251.11  | LTGO 2022 Public Works Office        | 12/1/2036       | -                        | 410,000          | 25,000            | 385,000               |
| <b>Total General Obligation Debt/Liabilities:</b>           |                                      |                 | <b>3,595,000</b>         | <b>410,000</b>   | <b>173,000</b>    | <b>3,832,000</b>      |
| <b>Revenue and Other (non G.O.) Debt/Liabilities</b>        |                                      |                 |                          |                  |                   |                       |
| 259.12  | Compensated Absences - Sewer         |                 | 31,221                   | 56,467           | 37,701            | 49,987                |
| 259.12  | Compensated Absences - Water         |                 | 31,221                   | 56,467           | 37,701            | 49,987                |
| 259.12  | Compensated Absences - Garbage       |                 | 31,221                   | 56,467           | 37,701            | 49,987                |
| 259.12  | Compensated Absences - General       |                 | 462,050                  | 357,066          | 347,224           | 471,892               |
| 264.30  | Pension Liabilites                   |                 | 154,205                  | 138,794          | -                 | 292,999               |
| 264.40  | OPEB Liabilities (LEOFF 1)           |                 | 740,578                  | -                | 188,721           | 551,857               |
| 263.88  | PWTF Westside Sewer Project (411/    | 6/1/2033        | 405,051                  | -                | 36,823            | 368,228               |
| 263.88  | DOE/SRF WWTP 2001 L01000009-01       | 8/1/2023        | 171,868                  | -                | 85,292            | 86,576                |
| 263.57  | Copiers C368 & C558                  | 8/1/2023        | 4,710                    | -                | 2,355             | 2,355                 |
| 263.57  | Copier 540-748980-004                | 11/27/2024      | 11,951                   | -                | 3,984             | 7,967                 |
| 263.57  | Postage Meter                        | 7/18/2023       | 3,516                    | -                | 2,009             | 1,507                 |
| 263.88  | PWTF Ranney Well Project (408/401)   | 9/1/2033        | 585,842                  | -                | 53,258            | 532,584               |
| <b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b> |                                      |                 | <b>2,633,434</b>         | <b>665,261</b>   | <b>832,769</b>    | <b>2,465,926</b>      |
| <b>Total Liabilities:</b>                                   |                                      |                 | <b>6,228,434</b>         | <b>1,075,261</b> | <b>1,005,769</b>  | <b>6,297,926</b>      |

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

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